INFORMATION LETTER

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No. 1375 — Washington, D. C. — February 23, 1952

DPA Amends Rules Governing Tax Amortization Certificates

Regulations governing the issuance of certificates of necessity for rapid tax amortization have been revised and will become effective March 1, according to an announcement by the Defense Production Administration.

The new regulations are contained in DPA Reg. 1, as amended February 14, and replace the old regulations originally issued by the National Security Resources Board in 1950. DPA has been certifying authority under Section 124A of the Internal Revenue Code since January 3, 1951.

Major change in the regulations requires an applicant for rapid tax amortization to obtain, before beginning construction, a predetermination by DPA that a shortage of facilities exists and that the product involved is essential.

The revised regulations also spell out, for the first time, the factors which are considered in arriving at the amount of tax write-off that is to be allowed on the over-all cost of the facility involved.

After the initial determination is made that there is a shortage of facilities for the type of production

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RMA Fruit Committee

The RMA Deciduous Fruit and Tree Nuts Advisory Committee has pointed out that agricultural research must be maintained at a high level and has recommended that research be given top priority.

The Committee, operating under the Research and Marketing Act of 1946, met February 4-6 and reviewed current research and examined proposals for expansion or starting of new work in each of the fields of production, utilization, and marketing.

Production—Top priority was given to expanding or beginning new work which will help producers to control pests and diseases which seriously threaten an entire industry on a national or local area basis, such as cherry fruit fly and virus diseases. Equal priority was given to a recom-

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OPS Staff Given Rules on Applying Industry Earnings Standard

The Office of Price Stabilization on February 19 announced issuance of Price Operations Memorandum No. 25, which embodies a set of principles and procedures for the guidance of its commodities divisions in the application of the "industry earnings standard." This standard was announced by Eric Johnston when Administrator of the Economic Stabilization Agency to spell out the requirement of the Defense Production Act that ceiling prices shall be "generally fair and equitable," and was set forth in a letter to Price Stabilizer DiSalle. It was stated by Mr. Johnston to be as follows:

"The level of price ceilings for an industry shall normally be considered 'generally fair and equitable' under the Defense Production Act if the dollar profits of the industry amount to 85 percent of the average for the industry's best three years during the period 1946-49, inclusive. The profits should be figured before Federal income and excess profits taxes and after normal depreciation only, with adjustments made for any change in net worth."

Price Operations Memorandum No. 25 outlines the general principles to be followed in determining whether ceiling prices for an industry meet this "industry earnings standards." It will not be used for accomplishing rollbacks but rather as one of the standards to be used in determining whether a price ceiling increase is necessary. The principal purpose of the standard, the Memorandum states, is to protect the levels of earnings of an *industry* as a whole. A number of modifications are provided to insure a fair distribution among the various firms of an industry. There is no guarantee, however, that every producer within an industry shall operate profitably.

To cover the situation where the current returns of an industry are abnormally distributed among producers, it is provided that ceiling prices must be sufficiently high to permit sellers comprising the bulk of

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N.C.A. Laboratory Helps Army Training Program

The N.C.A. Washington Laboratory was host on February 14 to a group of Army officers undergoing a special training program in public health problems. Enrolled in the Veterinary Medicine Advanced Course, these officers are making intensive study of problems which arise in administration of food control and public health, under arrangements made by the Army Medical Service. Their schedule includes visits to a large number of agencies, especially governmental ones, where they receive lectures and demonstrations. Their visit to the N.C.A. was the only contact with an industrial food organization included in the course.

Members of the Laboratory staff addressed the group on the bacteriology of canning, process engineering, factory sanitation, control of contamination, and containers. Interest in the presentation was shown by the large number of pertinent questions asked by the group. A tour of the laboratory and pilot plant completed the conference.

Dr. E. J. Cameron, Director of the N.C.A. Washington Research Laboratory, is scheduled to participate again in the conduct of the 17-week course on April 30, when he will present additional scientific and technical aspects of the canning industry.

Ellis G. Arnall Heads OPS

The nomination of Ellis G. Arnall to be Director of Price Stabilization was confirmed by the Senate February 18. He succeeds Michael V. DiSalle.

RENEGOTIATION

Coverage and Reporting Requirements under Renegotiation Acts

During recent years, the N.C.A. has received a number of inquiries concerning the coverage and reporting requirements of existing renegotiation legislation. The following brief review of the scope and operation of these renegotiation measures has been prepared as a guide to those canners who have done business with government agencies during their most recently completed fiscal year.

Canners who keep their books on a calendar year basis will encounter a minimum of difficulty in determining the application of the two currently-operative renegotiation laws. Much of the confusion as to the obligations imposed upon government contractors by existing legislation flows from the fact that contractors whose fiscal years do not coincide with the calendar year may have their fiscal year ending in 1951 subject to two separate renegotiation enactments. Generally speaking, that portion of their fiscal year falling after December 31, 1950, will, for such canners, be subject to the Renegotiation Act of 1951 while the Renegotiation Act of 1948 remains in effect for that portion of their fiscal year falling before January 1, 1951.

The Two Renegotiation Acts

Renegotiation, as revived in 1948 by the Supplemental National Defense Appropriations Act of 1948, was originally applicable only to contracts for airplanes and airplane parts. In 1950, the National Military Establishment Appropriation Act broadened renegotiation to cover all *negotiated* contracts for procurement entered into during the fiscal year 1950 by or on behalf of the Department of Defense (including the Departments of Army, Navy, and Air Force), and all subcontracts thereunder. This Act made subject to negotiation only those contracts or subcontracts in excess of $1,000, and renegotiation proceedings could be instituted only in cases where accruals or receipts under contracts subject to renegotiation amounted to more than $100,000 during the contractor's fiscal year. The General Appropriation Act of 1951 extended renegotiation to apply in the same manner to contracts entered into during the fiscal year ending in 1951.

Thus the 1948 Act, as extended, which applied only to negotiated contracts as distinguished from contracts entered into pursuant to formal advertising for bids and which was limited to contracts in excess of $1,000 entered into with the Department of Defense, was originally intended to be applicable to all such contracts entered into during the fiscal year ending in 1951.

In March of that year, Congress enacted the Renegotiation Act of 1951. Under this Act, renegotiation was made applicable to all receipts or accruals *after January 1, 1951*, from contracts subject to the Act, provided such receipts or accruals are attributable to performance after June 30, 1950. Contracts subject to negotiation were extended to include those with all the principal federal buyers —the Army, Navy, Air Force, Departments of Defense and Commerce, the General Services Administration, the Atomic Energy Commission, and such other government agencies having a direct and immediate connection with the National Defense Program. No exemption for individual contracts in amounts less than a prescribed minimum was included.

Just as the 1948 Act contained a $100,000 minimum or "floor" on the total amount of renegotiable business necessary before the contractor could be subjected to renegotiation proceedings, the 1951 Act prescribes a floor of $250,000. Contractors and subcontractors become subject to renegotiation under the 1951 Act only when their receipts or accruals from renegotiable contracts in their fiscal year ending in 1951 exceed $250,000. If the contractor is not on a calendar year basis, however, this $250,000 minimum is to be prorated to the length of the fiscal year extending into 1951, by a reduction of the minimum to an amount which bears the same ratio to $250,000 as the days in the fiscal year after December 31, 1950, bear to 365. No such proration requirement is specified in respect to receipts or accruals during the 1950 portion of the fiscal year which remains subject to the Renegotiation Act of 1948.

Apportionment under the Two Acts

Since, with respect to receipts or accruals during that portion of the contractor's fiscal year extending into 1951, there would otherwise be an overlapping application of the two Acts, the Renegotiation Act of 1948 is made inapplicable to any contract or subcontract to the extent of the amounts received or accrued by a contractor or subcontractor after December 31, 1950, whether such contract or subcontract was entered into on, before, or after January 1, 1951. The only exception to this rule is when the amounts received or accrued during 1951 are attributable to performance before July 1, 1950, when the 1948 Act continues to apply if otherwise applicable. Thus a canner whose fiscal year does not coincide with his calendar year may find that portion of his fiscal year preceding January 1, 1951, subject to the Renegotiation Act of 1948, while receipts or accruals during the remainder of his fiscal year are subject to renegotiation under the 1951 Act.

In partial recognition of the difficulties involved in the application of the two separate acts to successive portions of the contractor's fiscal year, the 1951 Act provides that if the contractor has receipts or accruals from renegotiable business during both portions of his fiscal year as determined under the respectively applicable acts, the provisions of the 1951 Act may be made applicable to receipts or accruals during his entire fiscal year, if the Renegotiation Board and the contractor agree to such application. In such cases, the contract amounts subject to renegotiation will be determined under the respective acts otherwise applicable, but the $250,000 minimum or floor will be applied against the entire fiscal year.

Filing Requirements

Each contractor or subcontractor holding contracts or subcontracts subject to renegotiation under the Renegotiation Act of 1948 must file a financial statement with the Renegotiation Board on or before the last day of the fifth month following the close of the contractor's fiscal year, if such report has not already been filed with the old Renegotiation Policy and Review Board. The "Standard Form of Contractor's Report" is prescribed as a form of statement required of contractors subject to the Act.

Contractors holding contracts to which the Renegotiation Act of 1951 is applicable are required by the Act to file with the Renegotiation Board, on or before the first day of the fourth calendar month following their fiscal year, such financial statement as is

prescribed by the Board. With respect to contractors with fiscal years ending on or before December 21, 1951, the Board has extended the time for filing until May 1, 1952, by which time RB Form 1 of the Standard Form of Contractor's Report is required. RB Form 1B, which calls for financial data of more detail and which is required only of contractors whose receipts or accruals exceed the appropriate minimum or "floor", must be filed within 60 days after the new date for filing RB Form 1.

RMA Fruit Committee

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mendation that fundamental research be started on control of plant diseases by use of antibiotics and other systemic materials to control fungi, bacteria, and viruses that attack horticultural plants.

Other production recommendations included work on mechanized picking of apples, breeding of improved varieties, nutritional levels in orchards and development of improved methods for supplying deficient elements, and insects and related pests of strawberries and brambles. Expansion of work was recommended in the studies of orchard mites and their control, insect vectors of phony peach disease, chemical weed control for small fruits, and the effect of pesticide residues on plants, animals, and soils.

Utilization—Recommendations for start of new work in the field of utilization included a study to determine the conditions required for retention of flavor, color, and consistency in the manufacture of concentrated fruit purees.

Recommended work for expansion included studies of purees and frozen and nonfrozen juice concentrates, yields of usable food from various forms and qualities of fruits, preparation of consumer education materials on more fruits and tree nuts, and effect of grade, maturity, and condition of the fruit on the quality of apple juice.

Marketing—New or additional work in the field of marketing was recommended on gas storage for apples and pears, together with other projects in connection with marketing fresh fruits.

The Committee also recommended that new work be started on estimating production of important small fruits other than cranberries and strawberries.

Members of the Committee attending the meeting included W. A. Reich, A. Reich & Sons Gardens, Kansas City, Mo., and A. J. Rogers, Cherry Growers, Inc., Traverse City, Mich.

RESEARCH

Utilization of Fruit Waste

The U. S. Department of Agriculture has formally announced development of a new continuous process for converting pear waste into feed molasses and dried feed pulp.

The process was developed at the Western Regional Research Laboratory at Albany, Calif., in collaboration with the Canners League of California, and was described at the 1952 Convention by A. C. Richardson of California Packing Corp. (see "Utilization of Waste from Canning of Deciduous Fruit", INFORMATION LETTER of Jan. 30, page 65).

Information on the process is available from the Western Regional Research Laboratory.

Oriental Fruit Fly Control

Entomologists of the USDA and cooperating state, territory and private agencies have developed means of controlling the oriental fruit fly, according to an announcement by the Agricultural Research Administration of USDA. The knowledge of how to control the pest results from experience in the Hawaiian Islands, according to the ARA.

FARM PRODUCTS

Price Supports for Dry Beans

Support for 1952-crop dry edible beans was announced by the U. S. Department of Agriculture February 15 at a national average level of approximately 85 percent of parity as of January 15, 1952.

Dollar-and-cent support prices for all classes of beans are higher this year than last, but the increases are greatest for the classes in greatest demand, USDA said. The USDA production program for 1952 calls for an increase in this year's acreage of Great Northern, pea, and large lima beans, and for production of all other classes except baby limas at about their 1951 level of output. A substantial reduction in 1952 production of baby limas is sought because of the existence of a substantial surplus.

The national production goal for all classes of beans in 1952 is for 16,250,000 bags of 100 pounds, cleaned basis, on 1,620,000 acres.

Price Supports for Soybeans

Support for 1952-crop soybeans was announced by the U. S. Department of Agriculture February 11 at $2.56 a bushel, reflecting 90 percent of parity as of November 15, 1951. Price supports will be implemented by CCC loans and purchase agreements. Support for 1951-crop soybeans is $2.45 a bushel.

PUBLICATIONS

Annual Report of BPISAE

New crop plants and improved methods for growing them are emphasized in the annual report of the Bureau of Plant Industry, Soils, and Agricultural Engineering, USDA, just released.

The report summarizes cumulative gains of research during the last year in providing farms with improved plants and efficient production methods. It also points up new developments in basic research. Among these are studies with growth regulators and their effect on plants, the influence of daylength, and research with radioactive isotopes.

Activities of the Bureau that are reported include more than 6,000 plant introductions in 1951. Of these 1,500 were fruit and vegetable items, 3,800 were field crops, and 1,000 were specialty crop plants.

Annual Report of BAIC

Industrial applications of recent results in crop-utilization research are stressed in the annual report of the Bureau of Agricultural and Industrial Chemistry, USDA, just released.

Certificates of Necessity

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involved and that the product is essential, then the percentage of certification (the portion of the over-all cost of the project allowed for accelerated write-off) is determined, giving consideration to the probable economic usefulness of the facility after five years and the minimum incentives deemed necessary to obtain the needed expansion of facilities.

A revised application form is being prepared by DPA and is expected to be ready for distribution by March 1.

Copies of DPA Reg. 1, as amended, and the application form will be available upon request to N.C.A.

STATISTICS

RSP Cherry Stocks

A report on canners' stocks and shipments of canned RSP cherries has been compiled by the N.C.A. Division of Statistics.

RSP Cherry Stocks and Shipments

	1950-51	1951-52
	(actual cases)	
Carryover, July 1	30,332	29,950
Pack	5,022,951	4,672,041
Total supply	5,053,283	4,701,991
Stocks, Feb. 1	1,008,043	1,150,841
Shipments during Jan.	298,776	279,791
Shipments, July 1 to Feb. 1	4,045,240	3,551,150

Outlook for Food Consumption

Food supplies for 1952 are expected to be sufficient to maintain domestic food consumption per person at least as high as in 1951, according to the Bureau of Agricultural Economics. Substantial stocks of storable foods are available from last year's crops and the output of most livestock products and winter crops is relatively large. If weather conditions are about normal and livestock marketing follows usual patterns, BAE said, the year's output of food for sale and farm home consumption may set a new record.

Current indications are that military procurement of food may not be much different from that of 1951, according to BAE, and food exports are likely to be down some. Perhaps 10 percent of the total food supply may go into military and export channels, about the same as in 1951. Even so, total supplies for civilian consumption in this country are expected to exceed total consumption in the past year.

With employment and consumer incomes at high levels, civilian demand for food has continued strong for some months. Supplies of most foods have been adequate to meet the demand with relatively little change in retail prices other than seasonal movements. Much the same situation is expected to prevail at least until the 1952 crops begin to move to market. Accordingly, BAE said, little change in the general level of food prices is likely during the late winter and early spring.

Vegetables for Processing

Civilian consumption of canned and frozen vegetables is expected to continue high through 1952 despite some price increase, BAE said. Military needs from the 1952 pack will be substantially smaller than was required from the 1951 pack, since the initial "pipeline" requirements have now been supplied.

Among the major canned vegetables, canned corn will continue in somewhat short supply until a new pack can be made this year, according to BAE. Production and pack of corn in 1951 was a little smaller than desired, and carryover stocks were very low.

Annual BAE Report on Fruits

The annual summary of production, disposition and value of principal fruits and tree nuts for the 1950 and 1951 seasons has been issued by the Bureau of Agricultural Economics, USDA. The report contains information concerning production, value and disposition and season's average prices by states and regions for the 1950 and 1951 crops for each of the principal fruits and tree nuts.

Production and Stocks Of Dry Edible Beans and Peas

The 1951 crop of dry edible beans produced in the United States is estimated at 17.4 million (100-pound) bags excluding garbanzos, according to a report by the Office of Foreign Agricultural Relations, USDA, on world bean production and outlook.

The U. S. production of 17.4 million bags (16 million bags cleaned basis) in 1951 is about 4 percent above the 1950 production of 16.9 million bags uncleaned, and 20 percent above prewar.

Stocks of dry beans in commercial storage on January 1, 1952, totaled 12.4 million bags (100-pounds, uncleaned basis), according to a report by the Bureau of Agricultural Economics. In addition, there were 1.9 million bags still stored on farms as of January 1. Both commercial and farm stocks were down from a year ago when 14.6 million bags were in commercial storages and 2.1 million bags were on farms.

Pinto beans accounted for 19.1 percent of the beans in commercial storage. Next in order were pea beans with 18.7 percent, Great Northerns with 14.8 percent, and baby limas with 12.7 percent.

Of the January 1, 1952, commercial storage stocks of dry beans, a third were in California, a fifth were in Michigan, and a quarter were in Idaho and Colorado combined.

Dry pea stocks in commercial storage on January 1 are estimated by BAE at 2,257,000 bags (100-pounds, uncleaned basis), while only 172,000 bags were stored on farms. Stocks of both commercial and farm stored peas were down from a year ago, when 2,445,000 bags were in commercial storages and 230,000 bags on farms.

Of the stocks of dry peas in commercial storages on January 1, 46 percent were in Washington and 42 percent in Idaho.

In the BAE report, commercial stocks cover all dry beans and dry peas in commercial storage places in or near producing areas, including stocks owned by Commodity Credit Corporation in those areas. Stocks of split peas are not included, nor are stocks of dry beans and dry peas in direct consumption channels.

Canned Meat Report

The quantity of meat canned and meat products processed under federal inspection during the four-week period December 30-January 26 has been reported by the Bureau of Animal Industry, USDA. However, this report represents only the supply of meat products canned during that period and available for civilian consumption. Total production, including quantities for defense agencies, was 152,812 thousand pounds.

Canned Meat and Meat Products Processed Under Federal Inspection Dec. 30-Jan. 26, 1952

	3 Lbs. & over	Under 3 Lbs.	Total
	(in thousand pounds)		
Luncheon meat	18,138	12,260	30,399
Canned hams	18,428	630	19,058
Corned beef hash	168	4,752	4,920
Chili con carne	936	6,430	7,366
Vienna sausage	141	2,431	2,572
Frankfurter and weiners in brine	55	915	970
Deviled ham	....	614	614
Other potted and deviled meat products	....	1,864	1,864
Tamales	263	2,695	2,958
Sliced, dried beef	43	420	463
Liver products	....	131	131
Meat stew	45	6,149	6,193
Spaghetti meat products	77	5,793	5,869
Tongue (except pickled)	33	399	432
Vinegar pickled products	1,323	1,584	2,908
Bulk sausage	....	739	739
Hamburger	22	928	950
Soups	1,116	37,127	38,242
Sausage in oil	137	232	369
Tripe	1	881	882
Brains	....	400	400
Bacon	14	266	280
All other products 20% or more meat	395	5,376	5,771
All other products less than 20% meat (except soup)	50	9,578	9,628
Total all products	41,385	102,594	143,978

Columns do not add to totals shown in all cases since rounded figures are used. Amounts packed for defense are not included in these items. Total production, including quantities for defense agencies, was 152,812 thousand pounds.

PUBLICITY

'For the Public Weal'

The history, principles of operation, and present organization of the N.C.A. are described in an article published in *Foods of the World*, yearbook of the Association of Food Distributors, Inc.

The article was contributed by Secretary Carlos Campbell and was captioned "For the Public Weal" by the publisher.

The article points out that the canning industry was one of the leading advocates of the original Pure Foods Act of 1906, that canners recognized that the keystone of a sound and permanent industry was scientific research, and that canners have made outstanding contributions to the conduct of two world wars.

"The functions of the Association, for the most part, are widespread and general in nature," the article states. "But all of the Association's services are planned and carried out with two basic objectives in mind: To increase the use of canned foods, and to improve the efficient operation of its members."

Woman's Home Companion

Pictured on the cover of the February *Woman's Home Companion* magazine is a dessert made with canned red sour pitted cherries.

The recipe for "Cherry Cobbler" is presented by Doris Tisdale of the food staff in the popular monthly *Companion* "Kitchen Pin-up" article. Each of the five steps of the procedure is pictured, making the recipe easy to prepare.

About cherry cobbler the author says, "Serve it warm, upside down and rich with juice."

American Weekly Magazine

Amy Alden, editor of the "Household Almanac" section of the *American Weekly* magazine, had "a complete set of soup and sandwich lunches" as her article in the January 20 issue. *American Weekly* is the Sunday magazine section distributed with many of the leading newspapers.

"Make it soup and sandwiches. Good hot soups can be made in a jiffy from canned combinations," said Miss Alden in the introduction. The soups featured in the soup-sandwich combinations were cream of pea, beef bouillon, cream of tomato, vegetable, vegetable beef, vegetarian vegetable, and tomato. Other canned foods included in the suggestions were tuna, peaches, tomato juice, chicken and corned beef hash.

The prepared lunches were illustrated in six attractive color photographs.

Recipes for Canned Juices

"Pink Valentine Punch" is the recipe featured in the February *Wonderflame*, a leaflet from the Washington Gas Light Company. The leaflet is sent with the monthly gas bills in the District of Columbia and surrounding areas, reaching more than 200,000 families. The punch recipe for "February the party month" uses three canned juices—cranberry, pineapple, and grapefruit.

Forthcoming Meetings

February 29-March 1—Virginia Canners Association, 44th Annual Convention, Hotel Roanoke, Roanoke

March 3-5—National Preservers Association, Annual Meeting, Congress Hotel, Chicago

March 3-7—National Association of Frozen Food Packers, Annual Convention, Hilton Hotel, Chicago

March 7-8—Utah Canners Association, 40th Annual Convention, Hotel Utah, Salt Lake City

March 13-14—National Canners Association, Northwest Branch, 15th Annual Salmon Cutting and Research Conference, Olympic Hotel, Seattle

March 13-14—Northwest Canners Association, Annual Meeting, Gearhart Hotel, Gearhart, Ore.

March 17-18—Canners League of California, Annual Directors Conference, Santa Barbara

March 19-21—Tri-State Packers Association, Spring Meeting and Canners School, Lord Baltimore Hotel, Baltimore, Md.

April 1—Wisconsin Canners Association, Food Technology Conference, Babcock Hall, University of Wisconsin, Madison

April 1-4—American Management Association, 21st National Packaging Exposition, Auditorium, Atlantic City, N. J.

April 2—Wisconsin Canners Association, Canners Safety Institute, Loraine Hotel, Madison

April 10—Indiana Canners Association, Spring Meeting, Claypool Hotel, Indianapolis

April 27-30—United States Wholesale Grocers Association, 60th Anniversary Convention and Exposition, Hilton Hotel, Chicago

June 9-10—Michigan Canners Association, Spring Meeting, Park Place Hotel, Traverse City

November 3-4—Iowa-Nebraska Canners Association, Hotel Fort Des Moines, Des Moines

November 10-11—Wisconsin Canners Association, 48th Annual Convention, Schroeder Hotel, Milwaukee

November 20-21—Indiana Canners Association, Annual Convention, French Lick Springs Hotel, French Lick Springs

November 24-25—Pennsylvania Canners Association, 38th Annual Convention, Penn-Harris Hotel, Harrisburg

December 1-2—Michigan Canners Association, Fall Meeting, Pantlind Hotel, Grand Rapids

December 4-5—Tri-State Packers Association, 49th Annual Convention, Atlantic City, N. J.

December 6—Illinois Canners Association, Fall Meeting, Bismarck Hotel, Chicago

SUPPLIES

Malayan Tin Market

The following report on the tin situation in Malaya was prepared by the U. S. Consulate General in Singapore and was published in the February 11 issue of *Foreign Commerce Weekly*, official publication of the U. S. Department of Commerce:

"The Malayan tin market opened at M$440 per picul (133⅓ pounds) in September (approximately US$1.08 per pound) edging upward to M$500 (US$1.23 per pound) on October 25 as a result of heavy demand by the United Kingdom, and certain European and South American countries. After touching this high, which had not been reached since June 13, 1951, the price sagged to M$454 per picul (about US$1.11 per pound) by the end of November.

"Tin production for the first 10 months of 1951 totaled 47,363 long tons compared with 48,142 long tons for the corresponding period of 1950. A decrease of about 1,500 tons in the production figures of tin is expected for the year 1951 under the 1950 output of 57,537 tons. Emergency conditions have prevented prospecting for new tin-bearing areas, besides causing power, fuel, and labor shortages for tin-mining operations. In the first 11 months of 1951, Malaya exported a total of 59,941 long tons of tin as compared with 76,294 tons in the corresponding period of 1950. Despite the abstention of the United States from purchasing in the Malayan market after March, 1951, increased purchases by other countries held exports and prices at a generally high level. It is believed that a fair proportion of these purchases is either being stockpiled or hoarded in buying countries as a hedge against inflation and against the uncertain political outlook."

Commercial Closures

Production and shipments of metal caps declined in 1951 below 1950 levels, according to a report by the Bureau of the Census, U. S. Department of Commerce.

Shipments of metal caps for the two years were reported as follows:

	1950	1951
	(in thousands)	
Screw thread and lug types	8,008,356	7,925,517
Vacuum and friction types	3,675,322	3,113,092
Total	11,683,678	11,038,609

Production of metal caps in 1951 totaled 11,434,442 thousand as compared with the 1950 total of 11,637,702 thousand, according to the report.

PERSONNEL

New Jersey Canners Assn.

The New Jersey Canners Association elected the following officers recently at the assocation's annual meeting:

President—Norman Bauer, Stokely Foods, Inc., Trenton; vice president—Dr. Frank App, Seabrook Farms Co., Bridgeton; and secretary-treasurer—Newlin B. Watson, R. S. Watson & Son, Greenwich (reelected).

Illinois Canners Association

The Illinois Canners Association elected the following officers recently at the association's business meeting:

President—P. A. Schmith, Stokely Foods, Inc., Indianapolis, Ind.; vice president—W. R. Benner, Streator Canning Co., Streator; secretary-treasurer—W. D. Jones, Streator (reelected).

STANDARDS

Concentrated Orange Juice

The Production and Marketing Administration, USDA, proposes to revise U. S. standards for grades of canned concentrated orange juice which have been in effect since 1943. Text of the proposed revision was published in the *Federal Register* of February 21.

Industry Earnings Standards

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an industry to operate profitably. The "bulk of an industry" will consist of the lowest-cost producers whose production represents 80 percent of the industry's dollar volume. This means that in applying the standard, increases in ceilings over and above those required by the standard must be granted so that producers of 80 percent of the output are making *some* profit.

There is an attempt to give some definition of an industry. An industry is stated to be a group of firms with certain common characteristics which set them off from the rest of the economy. A number of guides are set forth, among which is that an industry typically will make related products from the same general kinds of raw materials. The Memorandum recognizes, however, that the lines are not clear cut and that areas of discretion and judgment must remain in OPS. Special provisions are included to cover the cases where one company would be treated as falling in more than one industry.

In the application of the standard, provision is made for adjustment where there are abnormalities in the base period. To cover those cases where the earnings for the period 1946-1949 were unreasonably low, a minimum industry return of 10 percent of the net worth of the industry is guaranteed. Provision is also made for instances where the earnings for the base period may have been abnormally high relative to the normal earning power of the industry. In such cases it is recognized that no simple formula can be developed but that some downward adjustment will be made in the base period earnings. When the industry earnings for the single year 1946 were abnormally high, the Office of Price Stabilization will substitute 115 percent of the average earnings in the 1947-1949 period, where that is lower, instead of 85 percent of the average earnings in the best three years of the 1946-1949 period.

The Memorandum recognizes that OPS does not have on hand at all times the data with which to determine whether or not price ceilings meet the "industry earnings standard." An obligation is, therefore, placed on an industry to show that a serious question exists as to whether or not the "standard" is met. If a *prima facie* showing is made by an industry, an obligation is placed on OPS to undertake an investigation and discover the facts. Presumably, it is left to the discretion of OPS to determine whether or not a *prima facie* showing is made. The Memorandum does not describe the detailed procedures to be used in conducting its surveys, but a number of general principles to be borne in mind are listed. Once a survey has been undertaken, specific steps are set forth for the determination of the necessity and amount of price adjustment.

FISHERIES

Alaska Fishing Regulations

Regulations for the protection of the commercial fisheries of Alaska during the 1952 fishing season were signed by Secretary of the Interior Oscar Chapman on February 11 and were published in the *Federal Register* of February 15.

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